

GIFT DISPOSITION AND PURCHASES BY EMPLOYEES

Gifts from Foreign Governments

(41 C.F.R. Parts 101-49, DoD Directive 1005.13, AFI 51-901)

Rule: Foreign gifts under the minimal value (presently \$285) may be retained by the recipient employee. When multiple gifts are received, the following rules apply:

1. Gifts from different officials of the same foreign government during the same presentation shall be aggregated.
2. Gifts from officials of different political entities (nation, state, county, or city) at the same presentation are considered gifts from separate foreign governments, and their values are not aggregated.
3. Gifts from spouses or representatives of an official, are considered gifts from that official.
4. Gifts to a spouse of a Federal employee, are considered gifts to that employee.
5. Gifts received at separate presentations, even on the same day or from the same official, are separate gifts, and their values are not aggregated.
6. When more than one gift is received, the Federal employee may keep the gifts that do not exceed the aggregate minimum value, and turn over those that exceed the minimal value which is currently \$285.00.

Foreign gifts over the minimal value (presently \$285) may be purchased by the recipient employee once the service reports the property to GSA as excess personal property for Federal utilization screening, and GSA in turn gives clearance to sell the item. Defense employees who desire to purchase such gifts should follow the guidelines listed in the chart below.

When it is not practical to return a tangible item because it is perishable, the item may be given to an appropriate charity, shared within the recipient's office or destroyed. (IAW 5 CFR 2645.205)

Army	Office of the General Counsel, Ethics for Army Leaders.	Within 60 days, gifts must be deposited with "employing DOD Component" for return to donor, use within the Component, or disposition by General Services Administration (GS). Army Gifts are reported to: Commander, PERSCOM, ATTN: TAPC-PDO-IP, Alexandria, VA 22332-0474.
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Marines/Navy	SECNAVINST 1650.1E DoD Directive 1005.13	Each command shall maintain records of gifts of more than minimal value received by their employees from foreign governments. A report of all such gifts received during the preceding calendar year (Report Control Symbol EXEMPT) shall be forwarded annually to CMC (JAR) no later than 15 January (negative reports not required). The report (figure 12-1) shall include the following information: (1) Name and title of recipient (2) Brief description of the gift, date of acceptance, estimated value, and current disposition or location (3) Identity of foreign donor and government (4) Circumstances justifying acceptance (5) Whether recipient desires to participate in sale of gift if sold by GSA.
Air Force	AFI 51-901, Gifts from Foreign Governments	All foreign gifts that may be in excess of the minimal value received from foreign governments by DoD employees should be reported expeditiously (no later than 60 days from receipt) to Headquarters Air Force Personnel Center, Special Trophies and Award Section, Promotions, Evaluations, and Recognition Division (HQ AFPC/DPPPRS) 550 C Street West, Suite 12 Randolph AFB TX 78150-4714, to retain a gift item for official Air Force use or to obtain disposition instructions. It is the recipient employee's responsibility to report within 60 days all gifts that may exceed the minimal value (presently \$285).

Summary of Procedures: (For gifts above the minimum value.)

1. All foreign gifts that may be in excess of the minimal value received from foreign governments by DoD employees should be reported expeditiously (no later than 60 days from receipt) to the appropriate office for each respective service as indicated above to retain a gift item for official use or to obtain disposition instructions. **It is the recipient employee's responsibility to report within 60 days all gifts that may exceed the minimal value (presently \$285).**
2. Appraisers use the industry standard, fair market value (price at which a willing buyer and willing seller will agree upon in other than a retail environment).
3. Foreign Gift recipients who desire to use the gifts for official purposes (not private use) must report such gifts and obtain written authorization and hand receipts for the temporary custody and official display of these items .

Capt Brown, DSN 222-7160, 3/5/2004

Gifts from Outside Sources

Joint Ethics Regulation, DoD 5500-7R, Section 2300, 5 C.F.R. 2635.201-205, subpart B)

Rule: A government employee may not accept gifts offered because of his official position, or offered by a "prohibited source" -- (anyone who does business with DoD, seeks business with DoD, seeks official action from DoD, or may be affected by the employee's performance of official duties.) Several exceptions and exemptions to the rule exist. For example:

1. Gifts of \$20 or less, (up to \$50 per year from the same donor).
2. Gifts given because of family or a personal relationship established prior to their current position.
3. Items of little intrinsic value such as plaques, certificates, and trophies, which are intended solely for presentation.
4. Awards given for meritorious public service or achievement. (If the gift is in cash or exceeds \$200 in value, a written determination from the legal community is required.)
5. Gifts based on an outside employment or business relationship.
6. Discounts and benefits available to the public or to a broadly defined group.

A "gift" includes any gratuity, favor, discount, entertainment, hospitality, loan, or other items of monetary value. Includes services as well as gifts of training, transportation, local travel, lodging, and meals. For example, this provision prohibits acceptance of an honorary country club membership, unless the member (recipient of gift) pays market value.

A "gift does not include coffee, donuts, or similar modest items of food, plaques, certificates, trophies, and anything for which the individual pays market value.

Gifts that do not qualify for an exception must be either returned to the donor or purchased from the donor. Questions concerning gifts from outside sources should be referred to your Standards of Conduct Office.

Gifts Accepted on Behalf of DoD:

(10 U.S.C. 2608; DoD Financial Management Regulations, Vol 12, Chapter 3; DoD 4160.21-M)

Gifts may also be accepted on behalf of the Department of the Army, Navy or Air Force, and reported through appropriate channels. Such gifts are disposed of in accordance with GSA regulations affecting the disposal of property. If gift is approved for display, gifts are recorded on the appropriate equipment custodian authorization/custody receipt listings. At OSD, such gifts are forwarded to the Defense Logistics Agency (DLA) and processed in accordance with the Defense Material Disposition rules at DoD 4160.21-M. Much of the surplus property, if excess to the needs of the Agency, is disposed of through public sales, at which the recipient may purchase the property. However, unlike gifts from foreign governments, there is no provision for direct purchase from the government by the recipients of gifts from domestic donors.

Official Gifts from Federal officials using Representational Funds
(DoD 7250.13, AFI 65-603)

Rule: Gifts and mementos received by senior US officials on official visits to the field as part of an official courtesy and purchased under ORF authority are not gifts from outside sources and therefore may be retained. Gifts to DoD senior officials should not exceed \$40.00.

Gifts from Subordinates:

(5 C.F.R. 2635 subpart C, JER 2-203) (Includes gifts from military units)

Rule: Superiors may not accept gifts from subordinates in DoD.

There are two exceptions:

- (1) On occasions when gifts are traditionally exchanged, may accept gifts of \$10 or less.
- (2) On special, infrequent occasions, such as leaving DoD, may accept a group gift that is appropriate to the occasion and not more than \$300 in value.

Subordinates voluntary contribution for a gift can not exceed \$10 per individual person. Multiple donating groups are possible, but may not be combined to purchase a gift that exceeds \$300. Multiple donations by an individual are prohibited.

If using private organization funds, the expenditure must be consistent with the constitution and bylaws of the organization.